

## FEDERAL BUREAU OF INVESTIGATION

Date of entry 06/23/2021

Bill Lofy, [REDACTED]

[REDACTED] Governor Peter Shumlin's former chief of staff, was interviewed at the United States Attorney's Office, 11 Elmwood Avenue, Burlington, Vermont, by Assistant United States Attorney (AUSA) Paul Van de Graaf and FBI Special Agent Jennie Emmons. Also present was Natasha Sen, Lofy's attorney.

Lofy is originally from the Midwest. He has worked with elected official and on campaigns for most of his career. He is currently running a manufacturing laboratory business.

Lofy got to know Shumlin when Shumlin was the president pro tempore of the state senate. When Shumlin won the election for governor, Shumlin asked Lofy to be his chief of staff. Lofy had experience in transitions with other politicians, but had no previous background working in state government. Lofy planned to stay for the first term and to get Shumlin reelected, but to then move on.

AUSA Van de Graaf presented an email exchange (Bates USAO-EXEC00029447) involving Jeb Spaulding that described a meeting between Shumlin and Bill Stenger.

Lofy advised that he was not at that meeting. The "Bill" (mentioned in the email) who was to "work with Lawrence Miller" was Bill Stenger, not Lofy.

Lofy first met Stenger at Jay Peak. Lofy was at Jay Peak snowboarding. While Lofy was walking along a road between the ski area and where he had parked his car, Stenger pulled up and offered him a ride. Lofy was not yet working in state government. Stenger would not have known him at that time.

AUSA Van de Graaf asked what the jobs initiative meant politically.

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Lofy explained that jobs are a priority for a governor. Jobs are the "North Star" for any effective government and governors look for opportunities to create jobs. Governors want to leave office with more jobs than when they came into office. Jay Peak was this opportunity.

Lofy first heard of the EB-5 program when Shumlin's team was briefed by the outgoing administration. Lofy thinks that information was provided by Tim Hayward.

AUSA Van de Graaf asked about the Council of Economic Advisors, referencing a January 11, 2011 email (Bates USAO-EXEC00021559), listing 18 names, including Stenger.

Lofy advised that this group would come together quarterly in a purely advisory capacity. It was a chance for the governor to hear from business leaders in the state. The meetings were more about relationship building than about making an impact. Dinners and/or refreshments would be served and information would be shared over two to three hours.

AUSA Van de Graaf referred to an email from Stenger to Lawrence Miller on September 8, 2011 (Bates USAO-EXEC00027562), which was during the time between governor's inauguration and the press conference about AnC Bio at the Newport marina (on Aug 5, 2011).

Lofy advised that he was at one of the two main press events. If he is not listed on the governor's schedule for one it means he was at the other one.

AUSA Van de Graaf asked if Lofy had much interaction with Stenger between the inauguration and the first press conference.

Lofy does not recall having much contact with Stenger in that period. Lofy remembers things in relation to Hurricane Irene. After Irene, Lofy's whole focus was the recovery. A year went by during which he worked on the recovery—and then it was re-election time. A lot of work happened at the agency level. ACCD would have planned the meeting in Miami (this meeting is referenced in the aforementioned email).

AUSA Van de Graaf asked why Lofy emailed a late 2011 New York Times article to Stenger (Bates USAO-EXEC00029190).

Lofy advised that the article was great press for the state. Lofy assumes

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Stenger knew the article was coming out. Lofy had no further conversations with Stenger about it.

AUSA Van de Graaf presented a January 4, 2012 email exchange between Lofy and Stenger (USAO-EXEC00028730), in which Lofy asked to talk to Stenger about the EB-5 program. In Stenger's response, he told Lofy about upcoming Newport projects.

Lofy advised that he did not end up talking to Stenger because he got the information he needed for the State of the State speech.

AUSA Van de Graaf observed that Stenger was trying to get the governor to go on an international trip.

Lofy agreed. Shumlin, however, did not go on any international trips during Lofy's term with him. The governor had a general interest, but scheduling a week off for such travel was a lot of time for the governor to be away.

Lofy wrote the State of the State speech. EB-5 was a part of it. The jobs it created were important to the governor. The speech was a report back to the state about the progress made after Irene. The EB-5 jobs were part of the evidence of Vermont's recovery. Jay Peak was only one part of the story. Southern and central Vermont business re-openings were another part.

AUSA Van de Graaf presented a September 2012 email exchange (Bates USAO-EXEC00028170) between Lofy and Stenger, in which a press conference was discussed. AUSA Van de Graaf noted that rumblings of a problem at Jay Peak had started at this time and that these rumbling were related to Douglas Hulme's departure from Jay Peak.

Lofy advised that he has no specific recollection of rumblings at this time. Lofy recognizes the name Hulme, but is not sure what role he had. Shauna Trombley (copied in the email) was Shumlin's scheduler. Chris Cole (copied in the email) was the deputy secretary of transportation. Lofy does not remember this matter specifically, but would not be surprised to learn he was in touch with Stenger. Lofy did end up going to this event. He would not have been involved in the build up to it as the the chief of staff does not get involved in the "sausage making." Lofy would engage once something was really happening, the governor's time was being scheduled, and the governor's message was being crafted. Lofy felt this was a big deal at the

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time and did think the more press, the better (as stated in the email). The press provides a way to communicate and explain things to Vermonters and for a governor to take a share in the credit.

Lofy was aware of the Regional Center and ACCD. Lofy understood that Vermont was unique in that it had its own EB-5 approval process.

AUSA Van de Graaf noted that the state had two roles: one was marketing and involved going out with Stenger and the other was an oversight role, a responsibility that came with some duties. AUSA Van de Graaf asked if Lofy asked about the latter role— noting that Stenger was rolling out projects that had not been approved the state.

Lofy advised that he had many things on his plate as the chief of staff. He thought the things had been fully vetted, based on the history, the ACCD people involved, and the support of state officials. The Jay Peak stuff was real and tangible. Things had been built. Lofy thought “this is great.”

AUSA Van de Graaf asked if Stenger or anyone else told Lofy about cost overruns and that one project was paying for another.

Lofy advised that he did not know that information and certainly would have wanted to know. Such knowledge would have impacted his support and recommendation of this program.

AUSA Van de Graaf presented the September 27, 2012 schedule for the governor for the Northeast Kingdom (NEK) Initiative press conference (Bates USAO-EXEC00015464) and asked about the preparation.

Lofy advised that the format is a typical daily schedule. The day before such an event, the governor typically would have had an in-person briefing with the secretary and other relevant players, such as Lawrence Miller, Brian Sorrell and Brent Raymond. Shumlin would have been provided with talking points. Shumlin did not use prepared remarks. He would absorb information and then wing it. Lofy found Shumlin’s style challenging. Shumlin also had a separate political calendar/schedule.

Lofy remembers the congressional delegation attending this event. Lofy also remembers meeting and talking to Kelly. Lofy thought what they were doing was remarkable.

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AUSA Van de Graaf asked about the dynamics created by all that excitement.

Lofy thought something innovative was taking place that would unlock the labor force in the NEK. Lofy had high hopes that this was something really unique.

AUSA Van de Graaf asked if Lofy thought this was too good to be true, noting that a biotech facility is not a hotel and that Newport was being developed without much else going on there.

Lofy stated that he was not skeptical of the development, but he did wonder about the EB-5 program in general. The free money aspect of it seemed extraordinary. But the Jay Peak team was making it work. Lofy could see the Jay Peak development with his own eyes and the New York Times had written about it. From Lofy's perspective, the Jay Peak group understood this program and were taking full advantage of what the federal government was offering. Lofy was not worried at the time.

AUSA Van de Graaf asked what forces were at play in what happened.

Lofy advised that one force was the imperative of job creation for elected officials. The EB-5 program had bipartisan and universal support, which is a powerful thing. Senator Leahy was on the floor of the Senate saying this program is extraordinary. The previous Republic administration, Senator Sanders, and Congressman Welch were supportive. Another force was that the Jay Peak team had delivered on some part of it. You could see those things and they were real.

AUSA Van de Graaf asked about the video of Shumlin made at this press event, which was coordinated by Stenger.

Lofy did not know that was happening at this event. He found out about it later. Lofy wonders why he did not know about it. The use of the audit term was a red flag.

AUSA Van de Graaf noted that ACCD learned about the video and said it could not be used.

Lofy noted that happened two years later.

AUSA Van de Graaf asked how Stenger got Shumlin to do it.

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Lofy advised that the Shumlin sometimes went outside bureaucratic channels to get things done or to advance his agenda. For example, Shumlin was never supposed to drive a car, but did so anyway. Shumlin did not like to be clamped down by the chief of staff. Lofy is sure Shumlin had conversations that he was not told about. Lofy was not happy when he found out about such deviations and would call them out when he learned about them. It makes sense to Lofy that he would have learned about the video in 2014.

AUSA Van de Graaf asked Lofy to try to remember how he learned about it.

Lofy is certain that he was not present for the making of the video. If he had been involved he would have wanted to know more about it. Lofy wanted to see anything that left the governor's office with the governor's name on it. Lofy is a stickler for grammar and for how things are phrased and written.

AUSA Van de Graaf referred to an email to Emerson Lynn of the St. Albans Messenger (Bates USAO-EXEC00028025).

Lofy advised that he talked to Lynn frequently. Lynn was an "old school influencer." Lofy talked to people like Lynn because it was part of his role as chief of staff. Lynn was a real champion of the EB-5 work. They also talked a lot about the University of Vermont (UVM).

AUSA Van de Graaf asked about Stenger's reputation and its impact on events,

Lofy advised that people trusted Stenger, Lofy included. Stenger's credibility matter a lot. Based on what he pulled off it seemed like he should be trusted.

AUSA Van de Graaf asked about the AnC Bio letter that Stenger wrote.

Lofy advised that was not unusual for the governor's office to send letters of support. In regard to this letter, Lofy remembers that it was important for foreigners to see that an educational institution was involved.

AUSA Van de Graaf noted that the governor signed a letter that contained information presumed to be factual (Bates USAO-EXEC00027979 and USAO-EXEC00027715).

Lofy advised that he did not know if the information in the letter was true or untrue.

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AUSA Van de Graaf observed that Shumlin put his name on this information and that it was going into a marketing presentation.

Lofy stated that investor pitches are about what will happen if funding comes through. It was assumed that the things in the letter would be true if enough money was raised. Lofy did not have any direct evidence that UVM had a strong relationship with AnC Bio (as stated in the letter). Lofy relied on Stenger. Lofy was influenced by the tangible and visible success at Jay Peak.

AUSA Van de Graaf observed that things were built, but there were serious internal problems.

Lofy advised that he would have wanted to know about those problems.

AUSA Van de Graaf asked about Quiros's donation to Shumlin's campaign.

Lofy advised that any good chief of staff will be involved in the politics. Lofy is more of a political person than a governing person. Lofy does not recall ever meeting Quiros and did not think of Quiros as a donor. Lofy knows Stenger had a relationship with Quiros.

Lofy did hear about Shumlin using Quiros's New York City condo, and did not like the optics of it. Lofy did not know about it at the time. If he had, he would have talked to Shumlin. Lofy would have told Shumlin to exercise extreme caution in a relationship with someone with an interest relating to the state. This is just the type of thing that made Lofy ready to move on. He resigned after the first State of the State address.

AUSA Van de Graaf asked about Alex MacLean leaving to work for Jay Peak.

Lofy advised that he worked closely with MacLean. MacLean was his deputy chief. MacLean worked very hard and was ready to leave. The Jay Peak job seemed like one in which she could make a difference for the state. Lofy does not know anything about the governor taking to anyone to get MacLean this job. Lofy is confident MacLean and Shumlin did not have an affair or any inappropriate relationship.

In regard to how this could happen, Lofy stated that a lot of well intentioned people wanted to believe 10,000 jobs could be created in the northeast part of state without all the typical obstacles and pain, and all

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those people were not watching closely enough.